

A. 23

1 HIGHLY CONFIDENTIAL - R. RICCI
2 UNITED STATES BANKRUPTCY COURT
3 SOUTHERN DISTRICT OF NEW YORK

4 -----X

5 In Re:

6 Chapter 11
7 LEHMAN BROTHERS Case No. 08-13555 (JMP)
8 HOLDINGS, INC., et al., (Jointly Administered)

9

 Debtors.

10

-----X

11

12 * * *HIGHLY CONFIDENTIAL* * *

13 DEPOSITION OF RICH RICCI

14 New York, New York

15 September 8, 2009

16

17

18

19

20

21

22

23 Reported by:

24 KATHY S. KLEPFER, RMR, RPR, CRR, CLR

25 JOB NO. 24547

<p style="text-align: right;">Page 2</p> <p>1 HIGHLY CONFIDENTIAL - R. RICCI 2 September 8, 2009 3 9:56 a.m. 4 5 HIGHLY CONFIDENTIAL deposition 6 of RICH RICCI, held at Jones Day, 7 LLP, 222 East 41st Street, New York, 8 New York, before Kathy S. Klepfer, 9 a Registered Professional Reporter, 10 Registered Merit Reporter, Certified 11 Realtime Reporter, Certified Livenote 12 Reporter, and Notary Public of the 13 State of New York. 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p style="text-align: right;">Page 3</p> <p>1 HIGHLY CONFIDENTIAL - R. RICCI 2 A P P E A R A N C E S: 3 JONES DAY, LLP 4 Attorneys for Lehman Brothers, Inc. 5 222 East 41st Street 6 New York, New York 10017-6702 7 BY: DAVID L. CARDEN, ESQ. 8 JENNIFER DEL MEDICO, ESQ. 9 BART GREEN, ESQ. 10 11 BOIES, SCHILLER & FLEXNER, LLP 12 Attorneys for Barclays and the Witness 13 5301 Wisconsin Avenue, NW 14 Washington, DC 20015 15 BY: HAMISH HUME, ESQ. 16 JONATHAN D. SCHILLER, ESQ. 17 LOUIS SMITH, ESQ. 18 19 QUINN, EMANUEL, URQUHART, OLIVER & HEDGES, LLP 20 Attorneys for the Creditors Committee 21 51 Madison Avenue 22 22nd Floor 23 New York, New York 10010 24 BY: ERIC M. KAY, ESQ. 25</p>
<p style="text-align: right;">Page 4</p> <p>1 HIGHLY CONFIDENTIAL - R. RICCI 2 A P P E A R A N C E S: (Cont'd.) 3 JENNER & BLOCK, LLC 4 Attorneys for the Examiner 5 330 N. Wabash Avenue 6 Chicago, Illinois 60611-7603 7 BY: DAVID C. LAYDEN, ESQ. 8 9 HUGHES, HUBBARD & REED, LLP 10 Attorneys for the SIPA Trustee 11 One Battery Park Plaza 12 New York, New York 10004-1482 13 BY: WILLIAM R. MAGUIRE, ESQ. 14 KENNETH E. LEE, ESQ. 15 FARA TABATABAI, ESQ. 16 17 18 19 Also Present: 20 RAJESH ANKALKOTI, Alvarez & Marsal 21 22 23 24 25</p>	<p style="text-align: right;">Page 5</p> <p>1 HIGHLY CONFIDENTIAL - R. RICCI 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p style="text-align: center; font-size: 2em; font-weight: bold;">REDACTED</p>

PAGES 6-9 REDACTED

Page 10

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

REDACTED

Q. What was your role in connection with those conversations or that possible transaction with Lehman Brothers?

A. My role at the time was as one of the lead business heads in potentially determining whether an acquisition made sense. I was also teed up as the, I guess as the senior person to lead discussions from our side.

Q. And did you have a team of people who

Page 12

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

REDACTED

Page 11

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HIGHLY CONFIDENTIAL - R. RICCI

were involved in the discussions on behalf of Barclays?

A. We did.

Q. Who were they?

A. It would have been Bob Diamond, Jerry del Missier. The team was built up over time. So Mike Keegan, Stephen King, Michael Evans, Archie Cox, Michael Klein, who we retained as an advisor on the transaction. Certainly we had conversations with our board and John Varley. I'm sure there were others.

REDACTED

Page 13

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

REDACTED

Q. And we know at some juncture the conversations related to the acquisition of all of Lehman Brothers ended on Sunday. Can you tell me why, sir?

A. We had reached an agreement we felt with Lehman Brothers that was always subject to certain regulatory conditions. On Sunday, the 14th, there was a question as to the ability of Lehman to open on Monday morning and that there would be required for Lehman to open a guarantee of all Lehman's liabilities.

Under UK listing rules, a guarantee of that size cannot happen without shareholder approval. We asked the UK listing authority to waive that ruling. They did not. We then asked the United States Government to provide that

Page 14

1 HIGHLY CONFIDENTIAL - R. RICCI
2 guarantee, and they said they could not do that.
3
4
5
6
7
8
9
10 **REDACTED**
11
12
13
14
15
16
17
18
19
20 Q. Who was the person at Barclays, if
21 there was one, and if there was more than one,
22 please tell me that, who was responsible for
23 actually sitting down across the table from
24 somebody at Lehman Brothers, if this is the way
25 it happened, and having the discussion

Page 16

1
2
3
4
5
6
7
8
9
10
11
12 **REDACTED**
13
14
15
16
17
18
19
20
21
22
23
24
25

Page 15

1 HIGHLY CONFIDENTIAL - R. RICCI
2 concerning the acquisition of the entire firm?
3 A. There were several dialogues.
4 Q. Okay. Tell me what they were, if you
5 will.
6 A. So Bob Diamond would have had a
7 conversation with Dick Fuld initially; I had a
8 brief conversation, series of conversations with
9 Mark Shafir; and Michael Klein and Archie Cox
10 would have a series of conversations with Mark
11 Shafir and others.
12
13
14
15
16
17
18 **REDACTED**
19
20
21
22
23
24
25

Page 17

1
2
3
4
5
6
7
8
9
10
11
12 **REDACTED**
13
14
15
16
17
18
19
20
21
22
23
24
25

PAGES 18-21 REDACTED

Page 22

1
2
3
4
5 **REDACTED**
6
7
8
9
10
11
12
13 Q. Did Mr. Diamond give you an assignment
14 with regard to evaluating the transaction that
15 had been suggested by Mr. McDade?
16 A. Yes.
17 Q. What was your assignment?
18 A. My assignment was to see if we could,
19 you know, get our team back together and work
20 out a deal with the estate of the bankruptcy
21 court with creditors on getting a portion of
22 Lehman done.
23 Q. And once again, were you heading up
24 the team?
25 A. Yes.

Page 24

1
2
3
4
5
6
7
8
9
10
11
12 **REDACTED**
13
14
15
16
17
18
19
20
21
22
23
24
25

Page 23

1 **HIGHLY CONFIDENTIAL - R. RICCI**
2 Q. Was the team essentially the same team
3 that you had before when you were evaluating the
4 purchase of the entire firm?
5 A. Yes.
6
7
8
9
10
11
12
13 **REDACTED**
14
15
16
17
18
19
20
21
22
23
24
25

Page 25

1
2
3
4
5
6
7
8
9
10
11
12 **REDACTED**
13
14
15
16
17
18
19
20
21
22
23
24
25

PAGES 26-33 REDACTED

Page 34	Page 35
<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>REDACTED</p>	<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>REDACTED</p> <p>Q. We were talking about you having gone over to Lehman Brothers on the Monday, and we got into the conversation concerning the instructions given as to the assets that Barclays was going to be acquiring.</p> <p>Did you have any conversations with anyone at Lehman while you were over at the Lehman offices that day?</p> <p>A. Regarding?</p> <p>Q. Anything.</p> <p>A. I recall I think speaking to some of the human resource people on the Monday about potential people issues.</p> <p>Q. What do you mean by "people issues"?</p> <p>A. It was, with all the uncertainty around Lehman and in the market, it was -- Lehman people were being very, very heavily recruited by other Wall Street firms, and I was concerned that Lehman may lose a lot of its core people.</p>
Page 36	Page 37
<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>HIGHLY CONFIDENTIAL - R. RICCI</p> <p>Q. At some time on the Monday, was there a conversation with anyone in which you were involved -- let me rephrase that. At any time did you have a conversation on Monday, September 15, about the need to establish a bonus pool for Lehman people to keep them from leaving the employment of Lehman and then Barclays?</p> <p>A. I don't recall if that was specifically on Monday, the 15th.</p> <p>Q. At some point did you have such a conversation?</p> <p>A. Yes.</p> <p>Q. With whom did you have that conversation or conversations?</p> <p>A. I had conversation with Skip McGee and with human resource people. I don't recall their names.</p> <p>Q. Lehman human resource people?</p> <p>A. Lehman human resource people.</p> <p>Q. Did you have those conversations at Lehman?</p> <p>A. Yes.</p> <p>Q. Did you ask them how much Lehman had accrued for bonuses for its people that were</p>	<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>HIGHLY CONFIDENTIAL - R. RICCI</p> <p>among those that would be, if the transaction went through, moving to Barclays?</p> <p>A. Lehman presented me and others with a number of roughly \$2 billion that they felt they needed to compensate the Lehman staff.</p> <p>Q. Did you agree to that number?</p> <p>A. Not initially. It was presented to me.</p> <p>Q. Did there come a time when you did agree to that number?</p> <p>A. Yes.</p> <p>Q. When was that?</p> <p>A. Sometime during that week.</p> <p>Q. Do you recall when?</p> <p>A. No.</p> <p>Q. When you say that you agreed to the number, does that mean that Barclays committed to pay the \$2 billion in bonuses to the individuals at Lehman who would be coming into Barclays' employment?</p> <p>MR. HUME: Objection.</p> <p>Mischaracterizes the testimony.</p> <p>A. What we had agreed was that we would assume a liability related to compensation.</p>

Page 38	Page 39
<p>1 HIGHLY CONFIDENTIAL - R. RICCI</p> <p>2 "Compensation" was defined in my conversations</p> <p>3 as bonuses or severance or other non- sort of</p> <p>4 salary-related matters, that we would assume</p> <p>5 that liability, but we didn't agree that we</p> <p>6 would pay the whole thing out.</p> <p>7 We recognized we might have to, but we</p> <p>8 did not agree that we would absolutely pay the</p> <p>9 whole thing out. In the end, we did, but at the</p> <p>10 time, we didn't absolutely agree. We were</p> <p>11 hoping we might not have to pay it all out, but</p> <p>12 we assumed the liability and expected we may</p> <p>13 have to pay it out.</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18 REDACTED</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8 REDACTED</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19 Q. You say there was scenarios under</p> <p>20 which you might not have to pay that amount.</p> <p>21 What did you mean by that?</p> <p>22 A. It was a, you know, I didn't know -- a</p> <p>23 scenario might have where, if we had kept fewer</p> <p>24 people than we thought, there were also</p> <p>25 scenarios we may have had to pay more if we</p>
Page 40	Page 41
<p>1 HIGHLY CONFIDENTIAL - R. RICCI</p> <p>2 ended up keeping more Lehman people than we</p> <p>3 thought. So that's an example.</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12 REDACTED</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12 REDACTED</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>

Page 42		Page 43	
1		1	
2		2	
3		3	
4		4	
5		5	
6		6	
7		7	
8		8	
9		9	
10		10	
11		11	
12	REDACTED	12	REDACTED
13		13	
14		14	
15		15	
16		16	
17		17	
18		18	
19		19	
20		20	
21		21	
22		22	
23		23	
24		24	
25		25	
Page 44		Page 45	
1		1	
2		2	
3		3	
4		4	REDACTED
5		5	
6		6	
7		7	
8		8	
9		9	Q. As of the time that this was executed,
10		10	sir.
11		11	MR. HUME: Objection. Lacks
12	REDACTED	12	foundation as to what that date is.
13		13	A. I can't speak for every single asset,
14		14	but in order to try to answer your question, if
15		15	there -- given what I know about the timing of
16		16	when we first started looking at their assets
17		17	versus when this agreement was signed, I would
18		18	think there would have been a discount, yes, of
19		19	Lehman assets -- the Lehman marks on their
20		20	assets, yes.
21		21	
22		22	REDACTED
23		23	
24		24	
25		25	

PAGES 46-49 REDACTED

Page 50	Page 51
<p>1 2 3 4 5 6 7 8 9 10 11 12 REDACTED 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p>1 2 3 4 5 6 7 8 9 10 11 12 REDACTED 13 14 15 16 17 18 19 20 21 22 23 24 25</p>
Page 52	Page 53
<p>1 2 3 4 5 6 7 8 9 10 11 REDACTED 12 13 14 15 16 17 18 19 20 21 22 23 24 25 Q. I'm going to show you what has been</p>	<p>1 HIGHLY CONFIDENTIAL - R. RICCI 2 previously marked as Exhibit 285B. 3 A. Thank you. 4 Q. Which has two e-mails on it, the top 5 one from you to Mr. Clackson and the bottom from 6 Mr. Clackson to you and Mr. Evans. Take a 7 moment and review it. 8 (Document review.) 9 A. Okay. 10 Q. Okay. The first e-mail -- let's just 11 start with the bottom because it's an e-mail 12 chain. Mr. Clackson writes to you and Mr. Evans 13 on Wednesday, September 17th, at 7:07 P.M. 14 regarding a \$650 million problem. Do you recall 15 having gotten this e-mail, sir? 16 A. Yes. 17 18 19 20 REDACTED 21 22 23 24 25</p>

PAGES 54-117 REDACTED

Page 118	Page 119
<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>REDACTED</p>	<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>REDACTED</p>
Page 120	Page 121
<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>REDACTED</p>	<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>REDACTED</p> <p>Q. We're going to come to this in the afternoon after you've been fed, but at towards the end of the week there was an effort to identify additional Lehman assets for purposes of the transaction, correct?</p> <p>A. That is correct, to replace assets that weren't delivered earlier in the week and agreed to earlier in the week.</p> <p>Q. Right. Were you involved in evaluating -- strike that. Were you involved in that process at any level?</p> <p>A. I was involved in -- at a high level in terms of the potential assets.</p> <p>Q. Did you give anyone working for you or, for that matter, anybody at Lehman Brothers a number which they should try to identify -- strike that -- a number of assets, a valuation of assets that they should identify for purposes</p>

Page 122	Page 123
<p>1 HIGHLY CONFIDENTIAL - R. RICCI</p> <p>2 of adding in the transaction?</p> <p>3 A. I don't recall being given the</p> <p>4 specific number.</p> <p>5 Q. The confusion can simply be mine, but</p> <p>6 at some point you stopped look for assets,</p> <p>7 right?</p> <p>8 A. Yes.</p> <p>9 Q. Okay. Why did you stop when you</p> <p>10 stopped?</p> <p>11 A. We had -- it is quite confusing, so I</p> <p>12 certainly understand your question.</p> <p>13 You know, we had an agreement earlier</p> <p>14 in the week. It was tumultuous during that</p> <p>15 whole week about trying to find assets that were</p> <p>16 in the purchase agreement that said were ours,</p> <p>17 that we had agreed to, they had been seized by</p> <p>18 the parties, Lehman couldn't find them, and we</p> <p>19 were trying to replace those with assets of</p> <p>20 similar value as best we could.</p> <p>21 Q. I was simply just trying to identify</p> <p>22 whether there was a number in terms of the</p> <p>23 valuation of those additional assets that you</p> <p>24 were trying to identify.</p> <p>25 A. No, I don't think we had a specific</p>	<p>1 HIGHLY CONFIDENTIAL - R. RICCI</p> <p>2 number other than trying to replace replacement</p> <p>3 value what we couldn't get our hands on. I</p> <p>4 don't recall what that number was off the top of</p> <p>5 my head.</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13 REDACTED</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
Page 124	Page 125
<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12 REDACTED</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 REDACTED</p> <p>2</p> <p>3</p> <p>4 Q. How did you intend for Barclays to</p> <p>5 have the cushion you described it needed to be</p> <p>6 accomplished in the purchase of those assets?</p> <p>7 A. There were several ways to achieve it,</p> <p>8 we had hoped. One was to ensure that in any</p> <p>9 price we were paying for assets, particularly</p> <p>10 illiquid prices, illiquid assets, of which there</p> <p>11 were a lot, that we had an appropriate liquidity</p> <p>12 premium in our price.</p> <p>13 Secondly, as I've already testified,</p> <p>14 on the comp and the cure payments, we had hoped</p> <p>15 that we could pay less than what we had assumed</p> <p>16 but recognize that we might have to assume</p> <p>17 those. And also, we had intangible assets, that</p> <p>18 is, you know, accounting function that might</p> <p>19 help create some cushion. Those were the big</p> <p>20 components.</p> <p>21</p> <p>22 REDACTED</p> <p>23</p> <p>24</p> <p>25</p>

Page 126	Page 127
<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>REDACTED</p>	<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>REDACTED</p>
Page 128	Page 129
<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>REDACTED</p> <p>Q. Let's just go back to Exhibit 378 for just a moment, which is in front of you. And you were on the board call. Do you have any recollection while being on the call of anyone saying that Barclays was acquiring \$75 billion worth of assets?</p> <p>A. I don't recall.</p> <p>Q. And I take it it follows, then, that you don't recall whether or not you corrected them that the Asset Purchase Agreement provided for an acquisition of \$70 billion, correct?</p> <p>A. I don't recall.</p> <p>Q. Who would have prepared, if you know, the deck itself?</p> <p>A. The deck most likely would have been prepared by Group Planning.</p> <p>Q. And you told me before who was head of Group Planning, but I can't recall the name</p>	<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>HIGHLY CONFIDENTIAL - R. RICCI</p> <p>right now.</p> <p>A. Reports to Mr. Lucas.</p> <p>Q. Was Mr. Lucas with you in New York during the negotiations?</p> <p>A. No.</p> <p>Q. Did you communicate to Mr. Lucas during the week of September 15th concerning the transaction, apart from what might be an e-mail?</p> <p>A. I can't recall, but I must have.</p> <p>Q. Can you tell me who in your view would have been the one who would have calculated the negative goodwill number of 3 billion that is in Exhibit 378?</p> <p>MR. HUME: Objection. Lacks foundation.</p> <p>A. Would have been Patrick Clackson or someone on his team.</p> <p>REDACTED</p>

PAGES 130-153 REDACTED

Page 154	Page 155
<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>REDACTED</p>	<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>REDACTED</p>
Page 156	Page 157
<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>REDACTED</p> <p>On Friday morning, you took a view that you didn't have sufficient cushion, correct?</p> <p>A. Uh-huh. Yes.</p> <p>Q. And I think it follows that you necessarily had to take a view as to how much cushion would have been sufficient, am I correct?</p> <p>A. Is that a question?</p> <p>Q. Yes. Am I correct?</p> <p>A. Again, there was incredible uncertainty. I was now looking at a transaction which had been signed on Tuesday, which didn't look like a lot of those assets were going to arrive. We had problems getting collateral for the \$45 billion we had outlaid to the Fed. Markets were getting worse. I felt I needed as</p>	<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>HIGHLY CONFIDENTIAL - R. RICCI</p> <p>much as I could get to protect the firm.</p> <p>Q. Okay.</p> <p>A. And I wasn't sure what Lehman had left.</p> <p>Q. Okay.</p> <p>A. Didn't know there was anything left.</p> <p>Q. All right. What did you do to try to determine how much Lehman left that could be transferred to Barclays?</p> <p>A. I believe I instructed Mr. Klein to see if Lehman had any other assets.</p> <p>Q. Did you tell anybody on Friday morning that if Barclays were unable to come up with additional assets, that it would not go through with the transaction?</p> <p>A. I don't -- I recall certainly having those thoughts. I can't recall if I said that to anyone specifically.</p> <p>Q. And by "additional assets," I meant additional Lehman assets, you understood?</p> <p>A. Additional Lehman assets, yes.</p> <p>REDACTED</p>

Page 158	Page 159
<p>1 REDACTED</p> <p>2</p> <p>3</p> <p>4 Q. At any point did anybody at Lehman</p> <p>5 suggest that Barclays was being piggish?</p> <p>6 A. I remember having a conversation with</p> <p>7 Alex Kirk after we had tried to seek more</p> <p>8 assets, and I expressed some discomfort to Alex</p> <p>9 that I still didn't think we had enough assets,</p> <p>10 and he said there's nothing left. And I said</p> <p>11 something like to him, well, fine, we're not</p> <p>12 going to be -- we're not going to be pigs and go</p> <p>13 after every last nickel. We'll try to get</p> <p>14 comfortable with what you have given us, and if</p> <p>15 that's the case, we're done.</p> <p>16 Q. So is it fair to say that Barclays</p> <p>17 stopped looking for additional Lehman assets</p> <p>18 when Mr. Kirk said there was nothing else left</p> <p>19 to transfer to Barclays?</p> <p>20 A. I recall saying to Alex that -- he was</p> <p>21 very worried that we were going to walk because</p> <p>22 we had asked for more assets, they had given us</p> <p>23 what we could, he was worried we were going to</p> <p>24 walk, and I said, okay, if this is it, if this</p> <p>25 is all we can find before we go to court, you</p>	<p>1 HIGHLY CONFIDENTIAL - R. RICCI</p> <p>2 know, we'll take it, we'll take the chance, but</p> <p>3 we won't kill the deal over looking for more</p> <p>4 assets.</p> <p>5 Q. So, based on that conversation with</p> <p>6 Mr. Kirk, Barclays stopped looking for</p> <p>7 additional Lehman assets, correct?</p> <p>8 A. I believe that's correct.</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15 REDACTED</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
Page 160	Page 161
<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11 REDACTED</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11 REDACTED</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>

Page 162	Page 163
<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>
Page 164	Page 165
<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p style="text-align: center;">REDACTED</p> <p>Q. Okay. Some point on Friday you had a conversation with Mr. McDade in which it was agreed that the \$1.9 billion would be additional assets provided to Barclays to provide as a cushion, correct?</p> <p>A. That we would take \$1.9 billion in additional assets.</p> <p>Q. When was that conversation?</p> <p>A. I believe that was Friday afternoon prior to the hearing.</p>	<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>HIGHLY CONFIDENTIAL - R. RICCI</p> <p>Q. In addition to that 1.9, do you recall the amount of any additional assets that were transferred to Barclays that day apart from the repo?</p> <p>MR. HUME: Objection. Vague and ambiguous.</p> <p>A. That were transferred to Barclays that day?</p> <p>Q. On Friday morning early throughout the day, Barclays was looking for additional assets, correct?</p> <p>A. Correct.</p> <p>Q. And 1.9 was transferred to Barclays, correct?</p> <p>A. Wasn't transferred. It was agreed that we would take it. Still waiting for it.</p> <p>Q. All right. Okay. Was there any additional assets that day other than the 1.9 --</p> <p>A. Yes.</p> <p>Q. -- that was agreed would be transferred to Lehman -- to Barclays?</p> <p>A. The 15c3 deposit money.</p> <p>Q. And how much was that?</p> <p>A. Roughly \$750 million.</p>

PAGES 166-169 REDACTED

Page 170	Page 171
<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>REDACTED</p>	<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>REDACTED</p>
Page 172	Page 173
<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>REDACTED</p> <p>Q. Mr. Ricci, I show you what has been marked as Exhibit 383, which is an e-mail from Mr. King to you. Just take a moment to read this one.</p> <p>Finished?</p> <p>A. Uh-huh.</p> <p>Q. Mr. King has said the best estimate -- "current best estimate is the portfolio inc," I suppose that means includes, but "7 billion cash is 48.5 to 49 billion." Do you remember getting</p>	<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>HIGHLY CONFIDENTIAL - R. RICCI</p> <p>this e-mail?</p> <p>A. Yes.</p> <p>Q. Okay. Had you asked Mr. King to value the assets that had been transferred to Barclays in exchange for the \$45 billion that it had laid out on the repo?</p> <p>A. He would have been on the team, yes.</p> <p>Q. And this number of 48.5 and 49 billion doesn't include the 1.9 of the 15c3 or the \$750,000 -- I'm sorry, the 1.9 or the \$750,000 from the 15c3, does it?</p> <p>MR. HUME: Objection. Lacks foundation.</p> <p>A. No, it wouldn't.</p> <p>Q. Okay.</p> <p>A. If I recall correctly, the \$49 billion was roughly I believe what the Fed had pledged as collateral against the 45 billion. So --</p> <p>Q. Okay. I stated this awkwardly, but I just want to be clear. The moneys transferred pursuant to the 15c3 accounts of 750 and the 1.9 is not included in these numbers in Exhibit 383, is it?</p> <p>A. To the best of my knowledge.</p>

PAGES 174-289 REDACTED

Page 290	Page 291
<div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> <div>8</div> <div>9</div> <div>10</div> <div>11</div> <div>12</div> <div>13</div> <div>14</div> <div>15</div> <div>16</div> <div>17</div> <div>18</div> <div>19</div> <div>20</div> <div>21</div> <div>22</div> <div>23</div> <div>24</div> <div>25</div> <div>REDACTED</div>	<div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> <div>8</div> <div>9</div> <div>10</div> <div>11</div> <div>12</div> <div>13</div> <div>14</div> <div>15</div> <div>16</div> <div>17</div> <div>18</div> <div>19</div> <div>20</div> <div>21</div> <div>22</div> <div>23</div> <div>24</div> <div>25</div> <div>REDACTED</div>
Page 292	Page 293
<div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> <div>8</div> <div>9</div> <div>10</div> <div>11</div> <div>12</div> <div>13</div> <div>14</div> <div>15</div> <div>16</div> <div>17</div> <div>18</div> <div>19</div> <div>20</div> <div>21</div> <div>22</div> <div>23</div> <div>24</div> <div>25</div> <div>REDACTED</div> <div>(Time Noted: 5:34 P.M.) oOo</div> <div>RICH RICCI</div> <div>Subscribed and sworn to before me this day of 2009.</div>	<div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> <div>8</div> <div>9</div> <div>10</div> <div>11</div> <div>12</div> <div>13</div> <div>14</div> <div>15</div> <div>16</div> <div>17</div> <div>18</div> <div>19</div> <div>20</div> <div>21</div> <div>22</div> <div>23</div> <div>24</div> <div>25</div> <div>HIGHLY CONFIDENTIAL - R. RICCI CERTIFICATE STATE OF NEW YORK) : ss COUNTY OF NEW YORK) I, Kathy S. Klepfer, a Registered Merit Reporter and Notary Public within and for the State of New York, do hereby certify: That RICH RICCI, the witness whose deposition is herein before set forth, was duly sworn by me and that such deposition is a true record of the testimony given by such witness. I further certify that I am not related to any of the parties to this action by blood or marriage and that I am in no way interested in the outcome of this matter. I further certify that neither the deponent nor a party requested a review of the transcript pursuant to Federal Rule of Civil Procedure 30(e) before the deposition was completed. In witness whereof, I have hereunto set my hand this 8th day of September, 2009.</div>

Page 294	Page 295
<p>1 HIGHLY CONFIDENTIAL - R. RICCI</p> <p>2 INDEX</p> <p>3 WITNESS: EXAMINATION BY PAGE</p> <p>4 R. RICCI Mr. Carden 5, 278</p> <p>5 Mr. Maguire 189, 289</p> <p>6 Mr. Hume 282</p> <p>7</p> <p>8 EXHIBITS: PAGE</p> <p>9 Exhibit 378, a document bearing Bates 84</p> <p>10 Nos. BCI-EX-(S)-00023787 through 788 with</p> <p>11 attachment</p> <p>12 Exhibit 379, a document bearing Bates 106</p> <p>13 Nos. BCI-EX-(S)-00053514 through 53515</p> <p>14 Exhibit 380, a document bearing Bates 110</p> <p>15 Nos. BCI-EX-00081880 through 81884</p> <p>16 Exhibit 381, a document bearing Bates 162</p> <p>17 Nos. BCI-EX-00078268 through 78270</p> <p>18 Exhibit 382, a document bearing Bates 169</p> <p>19 Nos. BCI-X-00080984 through 80985</p> <p>20 Exhibit 383, a document bearing Bates 172</p> <p>21 Nos. BCI-EX-00080668</p> <p>22 Exhibit 384, a document bearing Bates 174</p> <p>23 Nos. BCI-EX-00079340 through 79342</p> <p>24 Exhibit 385, a document bearing Bates 181</p> <p>25 Nos. BCI-EX-00079472 through 79473</p>	<p>1 HIGHLY CONFIDENTIAL - R. RICCI</p> <p>2 INDEX (Cont'd.)</p> <p>3 EXHIBITS: PAGE</p> <p>4 Exhibit 386, a document bearing Bates 185</p> <p>5 Nos. BCI-EX-(S)-00024686 through 24687</p> <p>6 Exhibit 387, Debtors' Third Rule 30(b)(6) 207</p> <p>7 Deposition Notice to Barclays on Issues</p> <p>8 Pertaining to Exchange-Traded Derivatives</p> <p>9 and Exchange Deposits</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
Page 296	
<p>1 HIGHLY CONFIDENTIAL - R. RICCI</p> <p>2 NAME OF CASE. In re Lehman Brothers</p> <p>3 DATE OF DEPOSITION: September 8, 2009</p> <p>4 NAME OF WITNESS. Rich Ricci</p> <p>5 Reason Codes:</p> <p>6 1. To clarify the record.</p> <p>7 2. To conform to the facts.</p> <p>8 3. To correct transcription errors</p> <p>9 Page _____ Line _____ Reason _____</p> <p>10 From _____ to _____</p> <p>11 Page _____ Line _____ Reason _____</p> <p>12 From _____ to _____</p> <p>13 Page _____ Line _____ Reason _____</p> <p>14 From _____ to _____</p> <p>15 Page _____ Line _____ Reason _____</p> <p>16 From _____ to _____</p> <p>17 Page _____ Line _____ Reason _____</p> <p>18 From _____ to _____</p> <p>19 Page _____ Line _____ Reason _____</p> <p>20 From _____ to _____</p> <p>21 Page _____ Line _____ Reason _____</p> <p>22 From _____ to _____</p> <p>23 Page _____ Line _____ Reason _____</p> <p>24 From _____ to _____</p> <p>25</p>	